

專業旅運(亞洲)企業有限公司 Travel Expert (Asia) Enterprises Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1235)



INTERIM REPORT 2024/2025

專業旅運[®]
Travel **Expert**

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CORPORATE INFORMATION

DIRECTORS

Executive Directors

Mr. Ko Wai Ming, Daniel (*Chairman*)

Ms. Cheng Hang Fan
(*Chief Executive Officer*)

Independent Non-executive Directors

Mr. Chau Kwok Wing, Kelvin

Mr. Mak King Sau

Mr. Tse Kam Tim

AUDIT COMMITTEE

Mr. Mak King Sau (*Chairman*)

Mr. Chau Kwok Wing, Kelvin

Mr. Tse Kam Tim

NOMINATION COMMITTEE

Mr. Chau Kwok Wing, Kelvin (*Chairman*)

Mr. Ko Wai Ming, Daniel

Mr. Mak King Sau

Mr. Tse Kam Tim

REMUNERATION COMMITTEE

Mr. Tse Kam Tim (*Chairman*)

Mr. Chau Kwok Wing, Kelvin

Ms. Cheng Hang Fan

Mr. Mak King Sau

COMPANY SECRETARY

Ms. Cheng Yin Wah

AUDITOR

BDO Limited

PRINCIPAL BANKER

Hang Seng Bank Limited

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P. O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

5th Floor, Overseas Trust Bank Building
No.160 Gloucester Road
Wanchai, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN CAYMAN ISLANDS

Suntera (Cayman) Limited
Suite 3204, Unit 2A, Block 3, Building D
P. O. Box 1586, Gardenia Court
Camana Bay, Grand Cayman
KY1-1100, Cayman Islands

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Tricor Investor Services Limited
17/F., Far East Finance Centre
16 Harcourt Road
Hong Kong

COMPANY WEBSITE

www.tegroup.com.hk

STOCK CODE

The Stock Exchange of Hong Kong Limited:
1235

FINANCIAL HIGHLIGHTS

	Notes	Six months ended 30 September		Change
		2024 HK\$'000	2023 HK\$'000 (Re-presented)	

Profitability

Total customer sales proceeds from continuing operations		310,618	217,003	+43.1%
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Revenue				
– Service income from sales of travel/wedding related products		30,454	23,939	+27.2%
– Sales of package tours		84,036	33,431	+151.4%
		114,490	57,370	+99.6%

Profit/(loss) attributable to owners of the Company

– Continuing operations		2,959	1,913	
– Discontinued operation		(478)	(304)	
		2,481	1,609	

Earnings/(loss) per share

– Basic (HK cents)	1	0.6	0.4	
– Continuing operations		(0.1)	(0.1)	
– Discontinued operation				

Financial ratio

Return on equity (%)	2	4.6%	2.8%
Current ratio (time)	3	1.43	1.72

Notes:

- The calculation of the basic earnings/(loss) per share is based on 509,859,000 (2023: 509,859,000) weighted average number of ordinary shares in issue during the period.
- Return on equity is calculated based on the profit/(loss) from the continuing operations for the period attributable to owners of the Company divided by the equity attributable to owners of the Company at the end of the period and multiplied by 100%.
- Current ratio is calculated based on the total current assets divided by the total current liabilities at the end of the period.



CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board of Directors (the "Board") of Travel Expert (Asia) Enterprises Limited (the "Company"), I would like to present to shareholders the interim results of the Company and its subsidiaries (collectively referred to as the "Group") for the six months ended 30 September 2024 (the "Period").

During the Period, with the continued revival of the global tourism industry, the Group recorded a profit from continuing operations attributable to owners of the Company of HK\$3.0 million, representing an increase of 57.9% as compared with HK\$1.9 million for the same period last year. The total revenue from continuing operations was HK\$114.5 million, representing an increase of 99.5% as compared with HK\$57.4 million for the same period last year.

During the Period, tourism industry continued to show a promising recovery, which driven by increased flight capacity and strong travel sentiment. To grasp the market opportunities, the Group invested resources in enhancing infrastructure so as to strengthen our competitiveness. We increased the manpower and enhanced system software and hardware. We launched a variety of promotional activities to expand customer base, such as participating in different travel expos and making use of social media platforms and digital channels. Beside, we organized travel talks to introduce destinations with special features to customers. The direct interactions availed us the opportunity to understand the customer needs. Furthermore, the Group will continue to explore destinations with unique cultural landmark and landscape to offer customers a variety of travel experience and enjoyment.

The Group continued to take initiatives in enhancing our competitiveness and resilience. Travel Expert Limited (專業旅運有限公司) ("Travel Expert"), which mainly operating the Group's FIT (free independent travellers) business, had been striving to explore opportunities to broaden its income source and market share. It tapped into the operation of package tours to South East Asia and the Mainland and offered mass market products. With continued efforts, its business recorded a stable growth. Premium Holidays Limited (尊賞假期有限公司) ("Premium Holidays"), which mainly operating the Group's high-end long haul tour business, recorded a significant business growth. The package tours offered by Premium Holidays to exotic destinations and with features of cultural and natural sceneries were well received by customers. In view of the new market trend of travelling to northern and western provinces of the Mainland, Travel Expert and Premium Holidays rapidly responded to emerging demands by introducing a variety tour routings to customers.

Furthermore, the Group will continue to strengthen our resources in the businesses of study tours, MICE (meetings, incentives, conferences and exhibitions) and cruise holidays. We have a team of experienced staff to provide customers with services of trip planning and arrangements so as to offer them customized travel solutions.

Looking forward, in view of the increased air connectivity and travel demand, the Group believes that the tourism industry will continue to thrive. We will implement initiatives to optimize operational efficiency and staff structure. We will continue to develop new tour routes and enhance product mix. Besides, we will explore other business opportunities to broaden our source of income and business diversification. We will also keep a close watch on the latest development of the Belt and Road and tap into new markets when opportunities arise.

The uncertainties in the global economy, geopolitical tensions and China-US relations would cause challenges to the operating environment. Nevertheless, the Group will focus on achieving sustainable profit by imposing flexible measures and sales management to cope with difficulties ahead. The Group will remain cautiously optimistic and adhere to the principles of prudent financial management. In addition, we will continue to strengthen our market position for achieving long term and sustainable growth.

On behalf of the Board, I wish to express my sincere gratitude to shareholders, business partners and customers for their continued support, and to employees for their dedication and hard work.

Ko Wai Ming, Daniel

Chairman and Executive Director

Hong Kong, 27 November 2024



MANAGEMENT DISCUSSION AND ANALYSIS OVERVIEW

For the six months ended 30 September 2024 (the “Period”), due to the recovery of the tourism industry coupled with the continuous improvements in the flight capacity and tourism infrastructure, the Group’s total customer sales proceeds from continuing operations was HK\$310.6 million, representing an increase of 43.1% as compared with HK\$217.0 million for the corresponding period last year. The total revenue from continuing operations was HK\$114.5 million, representing an increase of 99.5% as compared with HK\$57.4 million for the corresponding period last year. The profit from continuing operations attributable to owners of the Company was HK\$3.0 million, representing an increase of 57.9% as compared with HK\$1.9 million for the corresponding period last year. The earnings per share attributable to owners of the Company from continuing operations was HK0.6 cents (2023: HK0.4 cents). The Board has resolved not to declare an interim dividend for the Period (2023: Nil).

BUSINESS REVIEW

The Group’s retail FIT (free independent travellers) business is operated mainly through Travel Expert Limited (專業旅運有限公司) (“Travel Expert”), which is the core focus of the Group. During the Period, in view of the continuous recovery of tourism industry, Travel Expert recruited additional staff to meet business needs and enhance quality of customer service. We continued to spend effort in exploring different products to meet the changing market trends and customer needs. Apart from FIT flight and hotel packages, to bring more product choices to customers, Travel Expert launched a wide array of package tours with special features to the Mainland and South East Asia. The Group will continue to adopt flexible strategy to catch up any opportunities arose in the market. We will also impose prudent business policy and continue to strengthen our competitiveness to responded to any uncertainties and challenges in the operating environment.

The Group’s online business is operated through the online trading platform www.texpert.com that focused on selling travel products like theme park tickets, train and bus tickets, boat tickets, hotel packages and etc. During the Period, we continued to put efforts to enrich its product offerings. Through this sales channel, the Group promoted different travel products, including flight and hotel packages, cruise holidays, package tours and etc, to enable customers to enjoy vacations or visiting attractions with different features.

The Group's tour operation is mainly operated by Premium Holidays Limited (尊賞假期有限公司) ("Premium Holidays") with focus on operating high-end long haul tours business. During the Period, the Group took steps to respond to the change in customer preferences by introducing a range of quality routings that contributed to a remarkable business growth. In response to the increasing market demands for travelling to the northern and western provinces of the Mainland, Premium Holidays launched package tours to popular tourist attractions in Dunhuang, Sichuan, Tibet, Xinjiang, Inner Mongolia and etc. It also launched popular rail and special cruise routes to enable customers to experience natural scenery and cultural differences of the destinations. Premium Holidays continued to launch long-haul package tours to East Africa, Northern Europe, Mediterranean Sea, South American and Iceland and etc. Furthermore, we invested in enhancing the brand awareness of Premium Holidays by engaging Ms. Janis Chan (陳貝兒) as its brand spokesperson in early 2024, who joined a package tour of Premium Holidays to Dunhuang in October 2024 to experience personally the quality and enjoyment of our tours. She will also share her first-hand experience with customers in a travel talk. We continued to recruit experienced staff to better serving customers. Premium Holidays will strive to keep pace with the market trends and expand its product offerings in order to achieve sustainable business growth.

In addition to the ordinary travel business segment, our investment activities using the Group's surplus funds allocated under the approved investment cap are conducted by Travel Expert Asset Management Limited (專業旅運資產管理有限公司) ("Travel Expert Asset Management"). During the Period, the business recorded a fair value loss on financial assets at fair value through profit or loss of HK\$72,000 (2023: HK\$166,000). We will continue to closely monitor the market situation and make investment decisions prudently in order to help the Group to better utilize its surplus fund and contributed to its bottom line.

The Group's food and beverage business under the brand name of "Café Another" operated by Another Food & Beverage Limited ("Another Food") was operating at a loss since commencement of operation. On 30 September 2024, the Group disposed of the entire equity interest in Another Food to a connected party at cash consideration of HK\$400,000. As the relevant percentage ratios in respect of the disposal were less than 5% and the total consideration is less than HK\$3,000,000, pursuant to Rule 14A.76 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), the said disposal was fully exempt from shareholders' approval, annual review and all disclosure requirements. For further details of the disposal, please refer to note 16 to the condensed consolidated interim financial statements.



FINANCIAL REVIEW

Other Income and Gains

Total other income and gains from continuing operations decreased by HK\$0.1 million from HK\$3.7 million for the six months ended 30 September 2023 to HK\$3.6 million for the Period.

Selling and Distribution Costs

For the Period, selling and distribution costs from continuing operations amounted to HK\$25.2 million, representing an increase of 36.2% from HK\$18.5 million for the corresponding period last year.

The increase of selling and distribution costs was mainly due to increase of frontline staff cost that was contributed by the increase of frontline headcounts and sales commission expenses and other staff costs as well as the increase in rental expenses. Nevertheless, the Group carried out prudent financial management and strived to maintain a reasonable selling and distribution costs level. The Group will also adopt other measures to maintain both the competitiveness and cost effectiveness of its branch network in accordance with market conditions. As at 30 September 2024, the Group operated a total of 13 retail shops in Hong Kong under the brand names of Travel Expert and Premium Holidays.

Administrative and Other Operating Expenses

For the Period, administrative and other operating expenses from continuing operations amounted to HK\$17.1 million, representing an increase of 30.5% from HK\$13.1 million for the corresponding period last year, which was mainly due to the increase in staff costs (including salaries and bonus).

Currently, the Group has one back office location in Hong Kong and one in Shenzhen. With our efforts, we managed to maintain the overall administrative and other operating expenses at a reasonable level. In order to retain our strength through managing our costs and working capital by preserving cash, the Group will continue to adopt strict cost control measures on administrative and other operating expenses by better allocation of back office resources and streamlining existing working process.

Finance Costs

Finance costs from continuing operations for the Period was HK\$408,000, which was related to the interest on lease liabilities (2023: HK\$230,000).

Liquidity, Financial Resources and Capital Resources

The Group generally finances its liquidity requirements through internally generated resources and will only finance with available banking facilities whenever necessary. For the Period, the Group had an operating cash inflow of approximately HK\$36.3 million (six months ended 30 September 2023: HK\$24.8 million) and the net assets value as at 30 September 2024 was HK\$64.2 million (as at 31 March 2024: HK\$68.8 million). Including the time deposits with original maturity over three months, the Group had total cash and cash equivalents of HK\$112.5 million as at 30 September 2024 (as at 31 March 2024: HK\$85.2 million).

As at 30 September 2024, the Group did not have any outstanding bank borrowing (as at 31 March 2024: Nil).

Contingent Liabilities

The Group did not have any contingent liabilities as at 30 September 2024.

Capital Commitments and Other Commitments

As at 30 September 2024, the Group had commitments in respect of capital expenditure were contracted but not provided for the acquisition of property, plant and equipment of HK\$961,000 (as at 31 March 2024: HK\$118,000) and intangible assets of HK\$10,000 (as at 31 March 2024: HK\$10,000) and total future lease payment for lease committed but not yet commenced over the non-cancellable period of HK\$845,000 (as at 31 March 2024: Nil).

Pledge of Assets

As at 30 September 2024, the Group's bank deposits of HK\$17.4 million (as at 31 March 2024: HK\$19.6 million) were pledged to banks to secure banking facilities granted to the Group.



Foreign Exchange Risks and Treasury Policies

The Group has foreign currency exposures that mainly arise from the balance of assets and liabilities in currencies other than in Hong Kong dollar, the Group's functional currency. The Group's policy requires the management to monitor the Group's foreign exchange exposure by closely monitoring the movement of foreign currency rates. The management may purchase foreign currency at spot rate, when and where appropriate for the purpose of meeting the Group's future payment obligation in foreign currency. With the setup of Travel Expert Asset Management together with the extension of investment scope, the Group may use more financial tools such as foreign exchange forward contracts and currency futures etc. to manage the foreign exchange risks. For the Period, the Group recorded exchange loss of approximately HK\$301,000 (2023: HK\$1.3 million).

Human Resources and Employee's Remuneration

As at 30 September 2024, the Group had a total workforce of 153 (as at 31 March 2024: 140), of which about 54.2% were frontline staff. Employees' remuneration packages are determined with reference to the market information and individual performance and will be reviewed on a regular basis. Other benefits include contributions to mandatory provident fund and medical insurance coverage. In addition, the Group has adopted a share option scheme (the "Share Option Scheme") on 6 September 2011 to recognize the contributions of our staff and to provide them with incentives to stay with the Group. Share options were granted to certain eligible persons and Directors of the Company. The Share Option Scheme was expired on 29 September 2021 and the options granted prior to the expiration remain valid for exercise. The remuneration policy will be reviewed by the Board from time to time. Emoluments of Directors are determined by the Remuneration Committee after considering the Group's operating results, individual performance and comparing with market conditions.

OUTLOOK

The Group expects there will have a continuous growth in travel demand. As the global economy will continue to be challenging with heightened geopolitical tensions and China-US relations, the management will remain cautiously optimistic and impose prudent business policy in order to lead the Group through challenges ahead.

The Group will take steps to enhance our competitiveness and resilience to cope with unexpected headwinds. The Group remains steadfast on initiatives to improve operational efficiency in optimizing staff structure and strengthening our resources. We will strive to enhance customer service and product mix to address customer preferences and the latest market trends. We will continue to allocate resources in exploring new tour routing and customized trip planning for individual, small group and corporate customers. Besides, the Group will strengthen promotion activities and make use of popular social media platforms and digital channels to enhance brand image and awareness. To broaden the sources of income, we will continue to explore development opportunities to expand our business.

The Group is confident that with our dedicated staff members and management team as well as continuous enhancement in services and products, we are well positioned to overcome the challenges ahead and maintain the leading market position so as to create long-term value for shareholders.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the six months ended 30 September 2024, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE

During the Period, the Company has complied with all the code provisions set out in the Corporate Governance Code in Appendix C1 of the Listing Rules.

REVIEW OF INTERIM RESULTS

The Audit Committee has reviewed and discussed with the management the interim results for the Period.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the "Model Code for Securities Transactions by Directors of Listed Issuers" set out in Appendix C3 of the Listing Rules ("Model Code") as the code of conduct regarding securities transactions by the Directors.

Having made specific enquiry of all Directors, the Directors of the Company confirmed that they have complied with the required standard set out in the Model Code during the Period.

OTHER INFORMATION

DIRECTORS' INTERESTS IN SHARE CAPITAL

At 30 September 2024, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code were as follows:

(a) Long position in ordinary shares of the Company

Name of Director	Number of shares of HK\$0.01 each in the Company (the "Shares")			Total interests	Approximate percentage of the issued share capital
	Personal interests	Family interests	Corporate interests		
Mr. Ko Wai Ming, Daniel ("Mr. Ko")	5,300,000	8,870,000 (Note a)	356,715,000 (Note b)	370,885,000	72.74%
Ms. Cheng Hang Fan ("Mrs. Ko")	8,870,000	5,300,000 (Note a)	356,715,000 (Note b)	370,885,000	72.74%

Notes:

- Mr. Ko and Mrs. Ko are spouses. Pursuant to Part XV of the SFO, Mr. Ko is deemed to be interested in the Shares owned by Mrs. Ko and Mrs. Ko is deemed to be interested in the Shares owned by Mr. Ko.
- These Shares are owned by Colvin & Horne Holdings Limited ("CHHL"), which is owned as to 60% and 40% by Mr. Ko and Mrs. Ko respectively.

(b) Long position in share options of the Company

Name of Director	Number of share options held			Total	Approximate percentage of the issued share capital
	Beneficial owner	Family interest (Note b)			
Mr. Ko	500,000	500,000		1,000,000	0.196%
Mrs. Ko	500,000	500,000		1,000,000	0.196%

Notes:

- (a) The share options were granted under the share option scheme adopted by the Company on 6 September 2011 (the "Share Option Scheme"), which was expired on 29 September 2021. The options granted prior to the expiration remain valid for exercise.
- (b) Each of Mr. Ko and Mrs. Ko was granted options under the Share Option Scheme to subscribe for 500,000 Shares. Mr. Ko and Mrs. Ko are spouses. Pursuant to Part XV of the SFO, Mr. Ko is deemed to be interested in the share options granted to Mrs. Ko and Mrs. Ko is deemed to be interested in the share options granted to Mr. Ko.

(c) Long position in shares and underlying shares of associated corporation

Name of Director	Name of associated corporation	Beneficial owner	Family interest (Note)	Total number of shares held	Approximate percentage of the issued share capital
Mr. Ko	CHHL	3	2	5	100%
Mrs. Ko	CHHL	2	3	5	100%

Note: Mr. Ko and Mrs. Ko are spouses. Pursuant to Part XV of the SFO, Mr. Ko is deemed to be interested in the shares of CHHL owned by Mrs. Ko and Mrs. Ko is deemed to be interested in the shares of CHHL owned by Mr. Ko.

Save as disclosed above, as at 30 September 2024, none of the Directors and chief executive of the Company had any interests and short positions in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of SFO) which are required, pursuant to Section 352 of the SFO, to be entered in the registers referred to therein or are required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

SHARE OPTION SCHEME

The Company adopted the Share Option Scheme on 6 September 2011. The purpose of the Share Option Scheme is to enable the Board to grant options to selected eligible persons as incentives or rewards for their contribution or potential contribution to the Group and/or to recruit and retain high caliber eligible persons and to attract human resources that are valuable to the Group.

On 27 September 2021, a total of 31,000,000 share options (the "Share Options") were granted to certain Company's employees (including Directors and their associate) and a consultant of Café Another (the "Consultant") to subscribe for a total of 31,000,000 Shares in accordance with the Share Option Scheme. Prior to the said grant of Share Options, there was no outstanding option. The Share Option Scheme was expired on 29 September 2021. The options granted prior to the expiration remain valid for exercise and no further option under the Share Option Scheme would be granted.

The Share Options are exercisable in accordance with the following vesting schedule:

- (i) 30% of the Share Options shall be exercisable from 27 March 2023 to 26 September 2026 (both dates inclusive);
- (ii) 30% of the Share Options shall be exercisable from 27 March 2024 to 26 September 2026 (both dates inclusive); and
- (iii) 40% of the Share Options shall be exercisable from 27 March 2025 to 26 September 2026 (both dates inclusive).

Details of the Share Options granted under Share Option Scheme during the six months ended 30 September 2024 are as follows:

Grantee	Exercisable period	Number of Share Options			Balance as at 30 September 2024	Exercise price per Share (HK\$)
		Balance as at 1 April 2024	Exercised during the Period	Forfeited during the Period		
Mr. Ko	27/03/2023 to 26/09/2026	150,000	-	-	150,000	0.194
	27/03/2024 to 26/09/2026	150,000	-	-	150,000	0.194
	27/03/2025 to 26/09/2026	200,000	-	-	200,000	0.194
		<u>500,000</u>	<u>-</u>	<u>-</u>	<u>500,000</u>	

Grantee	Exercisable period	Number of Share Options			Balance as at 30 September 2024	Exercise price per Share (HK\$)
		Balance as at 1 April 2024	Exercised during the Period	Forfeited during the Period		
Mrs. Ko	27/03/2023 to 26/09/2026	150,000	-	-	150,000	0.194
	27/03/2024 to 26/09/2026	150,000	-	-	150,000	0.194
	27/03/2025 to 26/09/2026	<u>200,000</u>	<u>-</u>	<u>-</u>	<u>200,000</u>	0.194
		<u>500,000</u>	<u>-</u>	<u>-</u>	<u>500,000</u>	
Associate of Directors (Note)	27/03/2023 to 26/09/2026	150,000	-	-	150,000	0.194
	27/03/2024 to 26/09/2026	150,000	-	-	150,000	0.194
	27/03/2025 to 26/09/2026	<u>200,000</u>	<u>-</u>	<u>-</u>	<u>200,000</u>	0.194
		<u>500,000</u>	<u>-</u>	<u>-</u>	<u>500,000</u>	
Employees (in aggregate)	27/03/2023 to 26/09/2026	4,320,000	-	-	4,320,000	0.194
	27/03/2024 to 26/09/2026	4,320,000	-	-	4,320,000	0.194
	27/03/2025 to 26/09/2026	<u>5,760,000</u>	<u>-</u>	<u>-</u>	<u>5,760,000</u>	0.194
		<u>14,400,000</u>	<u>-</u>	<u>-</u>	<u>14,400,000</u>	
		<u>15,900,000</u>	<u>-</u>	<u>-</u>	<u>15,900,000</u>	

Note: Being Share Options granted to Mr. Ko Chun Wang, Kelvin, a son of Mr. Ko and Mrs. Ko and a director of various subsidiaries of the Company.

Save as disclosed above, at no time during the period were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any of the Directors or their respective spouses or minor children, or were any such rights exercised by them; or was the Company, its holding company, or any of its subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARE CAPITAL

As at 30 September 2024, shareholders (not being Directors or chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO, or otherwise notified to the Company are set out below:

Name of Shareholders	Nature of interests		Total number of shares held	Approximate percentage of the issued share capital
	Beneficial owner	Family interest		
CHHL (Note a)	356,715,000	–	356,715,000	69.96%
Mr. Chu Hung Kwan ("Mr. Chu") (Note b)	17,400,000	11,500,000	28,900,000	5.67%
Ms. Tai Kan Yuet ("Mrs. Chu") (Note b)	11,500,000	17,400,000	28,900,000	5.67%

Notes:

- CHHL is owned as to 60% and 40% by Mr. Ko and Mrs. Ko respectively.
- Mr. Chu and Mrs. Chu are spouses. Pursuant to the Part XV of the SFO, Mr. Chu is deemed to be interested in the shares of the Company owned by Mrs. Chu and Mrs. Chu is deemed to be interested in the shares of the Company owned by Mr. Chu.

Save as disclosed above, the Directors and chief executive of the Company are not aware that there is any person (not being a Director or chief executive of the Company) who, as at 30 September 2024, had an interest or a short position in the shares or underlying shares of the Company which are recorded in the registers required to be kept under Section 336 of the SFO or notified to the company pursuant to the SFO.

CHANGE IN INFORMATION OF DIRECTORS

There is no change in the information of the Directors, save as otherwise set out in this report, required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the Company's last published annual report.

INVESTMENT ACTIVITIES

For the six months ended 30 September 2024, the Group engaged in certain investment activities. All the funds used in such investment activities were the Group's surplus funds allocated under the investment cap.

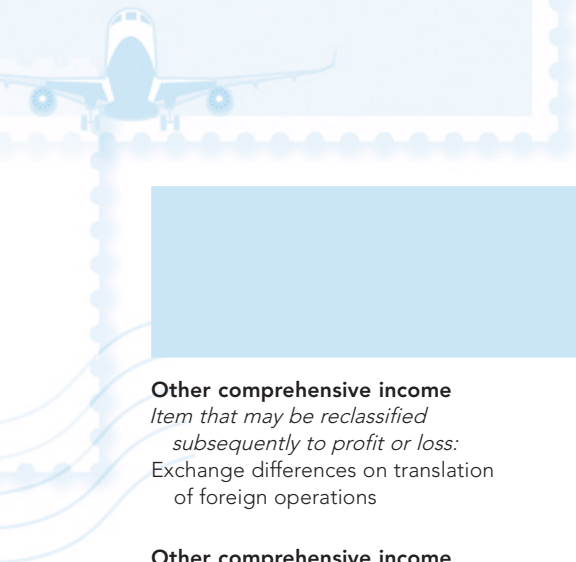
During the six months ended 30 September 2024, there was no change to the investment cap amount and that remained at HK\$45 million, or an amount equivalent to the Group's balance of the surplus funds (whichever is lower).

At 31 March 2024 and 30 September 2024, the Group did not have financial assets or liabilities purchased under the investment cap stated at fair value.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2024

	Notes	Six months ended 30 September 2024 (unaudited) HK\$'000	2023 (unaudited) HK\$'000 (Re-presented)
Continuing operations			
Revenue	5	114,490	57,370
Cost of sales		<u>(72,439)</u>	<u>(27,182)</u>
Gross profit		42,051	30,188
Other income and gains	5	3,647	3,696
Selling and distribution costs		<u>(25,195)</u>	<u>(18,486)</u>
Administrative and other operating expenses		<u>(17,064)</u>	<u>(13,092)</u>
Fair value loss on financial assets at fair value through profit or loss		<u>(72)</u>	<u>(166)</u>
Profit from operations	6	3,367	2,140
Finance costs	7	<u>(408)</u>	<u>(230)</u>
Profit before income tax		2,959	1,910
Income tax expense	8	<u>—</u>	<u>—</u>
Profit for the period from continuing operations		<u>2,959</u>	<u>1,910</u>
Discontinued operation			
Loss for the period from discontinued operation	16	<u>(478)</u>	<u>(304)</u>
Profit for the period		<u>2,481</u>	<u>1,606</u>



	Six months ended	
	30 September	
	2024	2023
	(unaudited)	(unaudited)
Notes	HK\$'000	HK\$'000
		(Re-presented)
Other comprehensive income		
<i>Item that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of foreign operations	—	(8)
Other comprehensive income for the period	<u>—</u>	<u>(8)</u>
Total comprehensive income for the period	<u>2,481</u>	<u>1,598</u>
Profit/(loss) for the period attributable to:		
Owners of the Company		
– Continuing operations	2,959	1,913
– Discontinued operation	(478)	(304)
Profit for the period attributable to owners of the Company	<u>2,481</u>	<u>1,609</u>
Non-controlling interests		
– Continuing operations	—	(3)
– Discontinued operation	—	—
Loss for the period attributable to non-controlling interests	<u>—</u>	<u>(3)</u>
	<u>2,481</u>	<u>1,606</u>

		Six months ended	
		30 September	
		2024	2023
		(unaudited)	(unaudited)
Notes		HK\$'000	HK\$'000
		(Re-presented)	

Total comprehensive income for the period attributable to:

Owners of the Company	2,481	1,601
Non-controlling interests	–	(3)
	<u>2,481</u>	<u>1,598</u>

Earnings/(loss) per share attributable to owners of the Company

9

– Basic		
– Continuing operations	HK 0.6 cents	HK 0.4 cents
– Discontinued operation	HK (0.1) cents	HK (0.1) cents
– Diluted		
– Continuing operations	HK 0.6 cents	HK 0.4 cents
– Discontinued operation	HK (0.1) cents	HK (0.1) cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2024

		30 September 2024 (unaudited) HK\$'000	31 March 2024 (audited) HK\$'000
	Notes		
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	11	13,353	16,096
Intangible assets		2,108	540
Prepayments and deposits		3,432	3,550
Deferred tax asset		3,026	3,026
		21,919	23,212
Current assets			
Inventories		1,317	1,390
Trade receivables	12	4,529	16
Prepayments, deposits and other receivables		25,699	23,856
Tax recoverable		1	1
Pledged deposits		17,402	19,575
Time deposits with original maturity over three months	13	42,444	35,602
Cash and cash equivalents	13	70,041	49,573
		161,433	130,013

		30 September 2024 (unaudited) HK\$'000	31 March 2024 (audited) HK\$'000
	Notes		
Current liabilities			
Trade payables	14	31,708	20,963
Accrued charges and other payables		8,650	15,908
Contract liabilities		66,510	32,033
Lease liabilities		5,933	6,678
Provisions		–	172
		112,801	75,754
Net current assets		48,632	54,259
Total assets less current liabilities		70,551	77,471
Non-current liabilities			
Lease liabilities		5,480	8,005
Provisions		877	705
		6,357	8,710
Net assets		64,194	68,761
EQUITY			
Equity attributable to owners of the Company			
Share capital	15	5,099	5,099
Reserves		58,924	63,491
		64,023	68,590
Non-controlling interests		171	171
Total equity		64,194	68,761

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2024

	Attributable to owners of the Company									Non-controlling interests HK\$'000	Total Equity HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Share option reserve HK\$'000	Share redemption reserve HK\$'000	Merger reserve HK\$'000	Foreign exchange reserve HK\$'000	Other reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000		
At 1 April 2023	5,099	55,629	1,286	37	(9,000)	(285)	(6,046)	12,700	59,420	175	59,595
Profit for the period	-	-	-	-	-	-	-	1,609	1,609	(3)	1,606
Other comprehensive income for the period:											
Exchange alignment	-	-	-	-	-	(8)	-	-	(8)	-	(8)
Total comprehensive income for the period	-	-	-	-	-	(8)	-	1,609	1,601	(3)	1,598
Release of share option reserve upon the forfeiture of share options	-	-	(96)	-	-	-	-	96	-	-	-
Share-based payments	-	-	67	-	-	-	-	-	67	-	67
At 30 September 2023 (unaudited)	5,099	55,629	1,257	37	(9,000)	(293)	(6,046)	14,405	61,088	172	61,260

	Attributable to owners of the Company										Non-controlling interests HK\$'000	Total Equity HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Share option reserve HK\$'000	Share redemption reserve HK\$'000	Merger reserve HK\$'000	Foreign exchange reserve HK\$'000	Other reserve HK\$'000	Proposed dividend HK\$'000	Retained profits HK\$'000	Total HK\$'000		
At 1 April 2024	5,099	48,491	1,282	37	(9,000)	(291)	(6,046)	7,138	21,880	68,590	171	68,761
Profit for the period	-	-	-	-	-	-	-	-	2,481	2,481	-	2,481
Total comprehensive income for the period	-	-	-	-	-	-	-	-	2,481	2,481	-	2,481
Dividend approved	-	-	-	-	-	-	-	(7,138)	-	(7,138)	-	(7,138)
Share-based payments	-	-	90	-	-	-	-	-	-	90	-	90
At 30 September 2024 (unaudited)	5,099	48,491	1,372	37	(9,000)	(291)	(6,046)	-	24,361	64,023	171	64,194

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2024

		Six months ended 30 September	
		2024	2023
	<i>Notes</i>	(unaudited) HK\$'000	(unaudited) HK\$'000
Cash generated from operations		36,349	24,770
Net cash generated from operating activities		36,349	24,770
Cash flows from investing activities			
Purchase of property, plant and equipment	11	(860)	(1,424)
Proceeds from disposal of property, plant and equipment		–	430
Disposal of a subsidiary, net of cash disposed	16	(342)	–
Prepayments for acquisition of intangible assets		–	(901)
Placement of pledged deposits		(17,402)	(14,566)
Withdrawal of pledged deposits		19,575	10,958
Placement of deposits with an original maturity of more than three months		(29,700)	(27,523)
Withdrawal of deposits with an original maturity of more than three months		22,858	9,831
Interest received		1,613	1,175
Net cash used in investing activities		(4,258)	(22,020)
Cash flows from financing activities			
Settlement of lease liabilities		(4,074)	(3,226)
Dividend paid to owners of the Company	10	(7,138)	–
Interest paid		(411)	(258)
Net cash used in financing activities		(11,623)	(3,484)
Net increase/(decrease) in cash and cash equivalents		20,468	(734)
Cash and cash equivalents at beginning of period		49,573	51,324
Effect of foreign exchange rate changes		–	(8)
Cash and cash equivalents at end of period		70,041	50,582



NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2024

1. GENERAL INFORMATION

Travel Expert (Asia) Enterprises Limited (the “Company”) was incorporated in the Cayman Islands as an exempted company with limited liability. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business of the Company and its subsidiaries (the “Group”) is located at 5/F., Overseas Trust Bank Building, No. 160 Gloucester Road, Wanchai, Hong Kong. The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The principal activity of the Company is investment holding. The principal activities of the Company’s subsidiaries are provision of services relating to sales of air-tickets, hotel accommodation and other travel/wedding related products, sales of package tours, food and beverage and investment in treasury activities.

The condensed consolidated interim financial statements for the six months ended 30 September 2024 were approved and authorised for issue by the board of directors on 27 November 2024.

2. BASIS OF PREPARATION

These condensed consolidated interim financial statements for the six months ended 30 September 2024 have been prepared in accordance with the Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange.

The condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended 31 March 2024.

During the period, the Company completed the disposal of its entire equity interest in Another Food & Beverage Limited (“Another Food”). The accompanying condensed consolidated interim financial statements and the comparative figures have been re-presented to reflect the results of the discontinued operation separately.

3. ACCOUNTING POLICIES

The accounting policies and methods of computation that have been used in the preparation of the condensed consolidated interim financial statements are consistent with those used in the financial statements for the year ended 31 March 2024, except for the adoption of the new and amended Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations effective for the first time for annual periods beginning on 1 April 2024.

During the interim period, the Group has adopted all the new and amended HKFRSs which are first effective for the reporting period and relevant to the Group. The adoption of these new and amended HKFRSs did not have any material impact on the Group’s accounting policies and the Directors considered that the changes are not material to the Group’s results of operations or financial position.

4. USE OF JUDGEMENTS AND ESTIMATES

In preparing these condensed consolidated interim financial statements, the significant judgements made by the management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to 2024 annual financial statements.

5. REVENUE, OTHER INCOME AND GAINS, AND SEGMENT INFORMATION

The Group's principal activities are provision of services relating to sales of travel/wedding related products, sales of package tours, food and beverage and investment in treasury activities. An analysis of the Group's revenue from principal activities, other income and gains is as follows:

	Six months ended 30 September 2024 (unaudited) HK\$'000	2023 (unaudited) HK\$'000 (Re-presented)
Revenue from contracts with customers within the scope of HKFRS 15:		
<u>Continuing operations</u>		
Provision of services relating to sales of travel/wedding related products (note (a))	30,454	23,939
Sales of package tours (note (a))	84,036	33,431
	<u>114,490</u>	<u>57,370</u>
<u>Discontinued operation</u>		
Sales of food and beverage (note (a))	2,700	2,179
	<u>117,190</u>	<u>59,549</u>
Other income and gains		
<u>Continuing operations</u>		
Interest income on deposits in banks and financial institutions measured at amortised cost	1,613	1,175
Sponsorship and joint advertising income	585	421
Government grants (note (b))	144	684
Gain on disposal of property, plant and equipment	–	347
Sundry income	1,305	1,069
	<u>3,647</u>	<u>3,696</u>
<u>Discontinued operation</u>		
Sundry income	–	22
	<u>3,647</u>	<u>3,718</u>
Total revenue, other income and gains	<u>120,837</u>	<u>63,267</u>

5. REVENUE, OTHER INCOME AND GAINS, AND SEGMENT INFORMATION (Cont'd)

Notes:

(a) Customer sales proceeds received/receivable during the period

	Six months ended 30 September	
	2024 (unaudited) HK\$'000	2023 (unaudited) HK\$'000 (Re-presented)
Continuing operations		
Gross sales proceeds related to provision of services relating to sales of travel/wedding related products*	226,582	183,572
Sales of package tours	84,036	33,431
	310,618	217,003
Discontinued operation		
Sales of food and beverage	2,700	2,179
Total customer sales proceeds	313,318	219,182

* The Group's gross sales proceeds from provision of services relating to sales of travel/wedding related products, includes the air tickets, hotel accommodation and other travel/wedding related products, are considered as cash collected and receivable on behalf of a principal as an agent. The gross sales proceeds from these sales, which do not represent revenue, represent the price at which products have been sold inclusive of service fees. The related service income is recorded by the Group on net basis.

(b) Government grants

During the six months ended 30 September 2024, approximately HK\$144,000 (2023: HK\$684,000) of government grants relating to one-off subsidy for the purpose of giving immediate financial support and cash incentives for travel agents are included in profit or loss.

The following table provides information about trade receivables and contract liabilities from contracts with customers.

	30 September 2024 (Unaudited) HK\$'000	31 March 2024 (audited) HK\$'000
Trade receivables (note 12)	4,529	16
Contract liabilities	66,510	32,033

The Group has applied the practical expedient to its service contracts and therefore it does not disclose about revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the contracts for provision of services relating to sales of travel and wedding related products and package tours that had an original expected duration of one year or less.

5. REVENUE, OTHER INCOME AND GAINS, AND SEGMENT INFORMATION (Cont'd)

Disaggregation of revenue from contracts with customers

In the following table, revenue is disaggregated by geographical markets, major service lines and timing of revenue recognition.

	Continuing operations		Discontinued operation		Total	
	Travel/wedding related business		Food and beverage business		Six months ended	
	Six months ended		Six months ended		Six months ended	
	30 September		30 September		30 September	
	2024	2023	2024	2023	2024	2023
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Geographical markets						
Hong Kong	114,490	57,370	2,700	2,179	117,190	59,549
The People's Republic of China ("PRC") excluding Hong Kong	-	-	-	-	-	-
	114,490	57,370	2,700	2,179	117,190	59,549
Major service lines						
Provision of services relating sales of travel/wedding related products	30,454	23,939	-	-	30,454	23,939
Sales of package tours	84,036	33,431	-	-	84,036	33,431
Sales of food and beverage	-	-	2,700	2,179	2,700	2,179
	114,490	57,370	2,700	2,179	117,190	59,549
Timing of revenue recognition						
At a point in time	30,454	23,939	2,700	2,179	33,154	26,118
Transferred over time	84,036	33,431	-	-	84,036	33,431
	114,490	57,370	2,700	2,179	117,190	59,549

5. REVENUE, OTHER INCOME AND GAINS, AND SEGMENT INFORMATION (Cont'd)

Segment information

The executive directors have identified the Group's operating segments as follows. These operating segments are monitored and strategic decisions are made on the basis of adjusted segment operating results.

	Continuing operations				Discontinued operation			
	Travel and travel related business		Treasury activities		Food and beverage business		Total	
	Six months ended		Six months ended		Six months ended		Six months ended	
	30 September 2024	2023	30 September 2024	2023	30 September 2024	2023	30 September 2024	2023
(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	
HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	
	(Re-presented)	(Re-presented)	(Re-presented)	(Re-presented)	(Re-presented)	(Re-presented)	(Re-presented)	
Revenue from external customers	114,490	57,370	-	-	2,700	2,179	117,190	59,549
Inter-segment revenue	-	-	-	-	148	98	148	98
Reconciliation	114,490	57,370	-	-	2,848	2,277	117,338	59,647
Elimination of inter-segment revenue	-	-	-	-	(148)	(98)	(148)	(98)
Reportable segment revenue	114,490	57,370	-	-	2,700	2,179	117,190	59,549
Reportable segment profit/(loss)	12,492	10,724	80	(1,103)	(478)	(304)	12,094	9,317
Interest income	73	45	703	556	-	-	776	601
Finance costs	(275)	(193)	-	-	(3)	(28)	(278)	(221)
Amortisation of intangible assets	(156)	(119)	-	-	-	-	(156)	(119)
Depreciation of property, plant and equipment	(2,990)	(2,187)	-	-	(125)	-	(3,115)	(2,187)
Fair value loss on financial assets at fair value through profit or loss	-	-	(72)	(166)	-	-	(72)	(166)

	Continuing operations				Discontinued operation			
	Travel and travel related business		Treasury activities		Food and beverage business		Total	
	At	At	At	At	At	At	At	At
	30 September 2024	31 March 2024	30 September 2024	31 March 2024	30 September 2024	31 March 2024	30 September 2024	31 March 2024
(unaudited)	(audited)	(unaudited)	(audited)	(unaudited)	(audited)	(unaudited)	(audited)	
HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	
Reportable segment assets	73,004	68,257	58,840	25,881	-	1,056	131,844	95,194
Additions to non-current segment assets during the period/year	1,243	9,830	-	-	-	1	1,243	9,831
Reportable segment liabilities	114,838	78,355	10	19	-	1,056	114,848	79,430

5. REVENUE, OTHER INCOME AND GAINS, AND SEGMENT INFORMATION (Cont'd)

Segment information (Cont'd)

The totals presented for the Group's operating segments reconcile to the Group's key financial figures as presented in the condensed consolidated interim financial statements as follows:

	Continuing operations		Discontinued operation		Total	
	Six months ended 30 September		Six months ended 30 September		Six months ended 30 September	
	2024	2023	2024	2023	2024	2023
	(unaudited) HK\$'000	(unaudited) HK\$'000	(unaudited) HK\$'000	(unaudited) HK\$'000	(unaudited) HK\$'000	(unaudited) HK\$'000
	(Re-presented)		(Re-presented)		(Re-presented)	
Reportable segment revenue	114,490	57,370	2,700	2,179	117,190	59,549
Group revenue	114,490	57,370	2,700	2,179	117,190	59,549
Reportable segment profit/(loss)	12,572	9,621	(478)	(304)	12,094	9,317
Other corporate income					837	921
Other corporate expenses					(10,450)	(8,632)
Segment loss included in discontinued operation					478	304
Profit before income tax and discontinued operation					2,959	1,910

	At 30 September 2024 (unaudited) HK\$'000	At 31 March 2024 (audited) HK\$'000
Reportable segment assets	131,844	95,194
Corporate assets	48,482	55,005
Deferred tax asset	3,026	3,026
Group assets	183,352	153,225
Reportable segment liabilities	114,848	79,430
Corporate liabilities	4,310	5,034
Group liabilities	119,158	84,464

5. REVENUE, OTHER INCOME AND GAINS, AND SEGMENT INFORMATION (Cont'd)

Segment information (Cont'd)

The Group's revenue from external customers and its non-current assets (excluded financial instruments and deferred tax asset) are divided into the following geographical areas:

	Revenue from external customers						Non-current assets	
	Continuing operations		Discontinued operation		Total		At 30	At 31
	Six months ended 30 September						September	March
	2024	2023	2024	2023	2024	2023	2024	2024
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(audited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		(Re-presented)		(Re-presented)		(Re-presented)		
Hong Kong (domicile)	114,490	57,370	2,700	2,179	117,190	59,549	15,461	18,360
The PRC excluding Hong Kong	-	-	-	-	-	-	1,243	-
	114,490	57,370	2,700	2,179	117,190	59,549	16,704	18,360

The geographical location of the non-current assets is based on the physical location of the asset. The place of domicile is determined by referring to the place which the Group regards as its hometown, has the majority of operations and center of management.

Most of the revenue of the Group are derived from Hong Kong. The Group has a large number of customers, and no significant revenue was derived from specific external customers for the periods.

6. PROFIT FROM OPERATIONS

	Six months ended 30 September	
	2024	2023
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
		(Re-presented)
Continuing operations		
Profit from operations is arrived at after charging/(crediting):		
Depreciation of property, plant and equipment:		
– Owned property, plant and equipment*	675	350
– Properties and office equipment leased for own use**	<u>3,533</u>	<u>2,662</u>
	<u>4,208</u>	<u>3,012</u>
Loss/(gain) on disposal of:		
– Owned property, plant and equipment	<u>73</u>	<u>(347)</u>
	<u>73</u>	<u>(347)</u>
Amortisation of intangible assets	156	119
Net foreign exchange loss	301	1,349
Short term leases expenses	56	205
Variable lease payments not included in the measurement of lease liabilities	–	50
Staff costs (including directors' remuneration)		
– Salaries and other benefits	24,112	18,733
– Retirement scheme contribution	1,440	716
– Share-based payments	<u>90</u>	<u>67</u>
	<u>25,642</u>	<u>19,516</u>

6. PROFIT FROM OPERATIONS (Cont'd)

- * Depreciation expenses of owned property, plant and equipment have been included in:
- selling and distribution costs of approximately HK\$374,000 for the six months ended 30 September 2024 (2023: HK\$188,000); and
 - administrative and other operating expenses of approximately HK\$301,000 for the six months ended 30 September 2024 (2023: HK\$162,000).
- ** Depreciation expenses of properties and office equipment leased for own use have been included in:
- selling and distribution costs of approximately HK\$2,616,000 for the six months ended 30 September 2024 (2023: HK\$1,999,000); and
 - administrative and other operating expenses of approximately HK\$917,000 for the six months ended 30 September 2024 (2023: HK\$662,000).

	Six months ended 30 September	
	2024	2023
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
		(Re-presented)

Discontinued operation

Loss from operation is arrived at after charging:

Depreciation of property, plant and equipment:

– Properties leased for own use	125	–
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Variable lease payments not included in the measurement of lease liabilities	68	74
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Staff costs (including directors' remuneration)		
– Salaries and other benefits	961	775
– Retirement scheme contribution	39	37
	1,000	812

7. FINANCE COSTS

	Six months ended 30 September	
	2024	2023
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
		(Re-presented)
Continuing operations		
Interest on lease liabilities	408	230
Discontinued operation		
Interest on lease liabilities	3	28
	<u>411</u>	<u>258</u>

8. INCOME TAX EXPENSE

	Six months ended 30 September	
	2024	2023
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
		(Re-presented)
Continuing operations		
Current tax – Hong Kong		
Tax for the period	–	–
Discontinued operation		
Current tax – Hong Kong		
Tax for the period	–	–
	<u>–</u>	<u>–</u>

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (the "BVI"), the Group is not subject to any taxation under the jurisdiction of the Cayman Islands and the BVI during the six months ended 30 September 2024 and 2023 respectively.

8. INCOME TAX EXPENSE (Cont'd)

Hong Kong profits tax is calculated at 16.5% on the estimated assessable profits for the six months ended 30 September 2024 and 2023, except for one subsidiary of the Group which is a qualifying corporation under the two-tiered profits tax rate regime and is calculated at 8.25% on the first HK\$2 million of estimated assessable profits and at 16.5% for the portion of the estimated assessable profits above HK\$2 million.

Subsidiaries of the Company established in the PRC is subjected to PRC enterprise income tax at the rate of 25%. No PRC enterprise income tax has been provided as there is no assessable profit arising in the PRC for the period.

9. EARNINGS/(LOSS) PER SHARE

The calculation of the basic earnings per share is based on the profit from continuing operations for the period attributable to owners of the Company of approximately HK\$2,959,000 (six months ended 30 September 2023: HK\$1,913,000) and the weighted average number of ordinary shares in issue of 509,859,000 (six months ended 30 September 2023: 509,859,000) during the period.

The calculation of the basic loss per share is based on the loss from discontinued operation for the period attributable to owners of the Company of approximately HK\$478,000 (six months ended 30 September 2023: HK\$304,000) and the weighted average number of ordinary shares in issue of 509,859,000 (six months ended 30 September 2023: 509,859,000) during the period.

The computation of diluted earnings/(loss) per share does not assume the exercise of the Company's share options for six months ended 30 September 2024 and 2023 as the adjusted exercise price of the Company's share options was higher than the average market price for shares during the periods when those options are outstanding.

10. INTERIM DIVIDEND

The Directors has resolved not to declare an interim dividend for the six months ended 30 September 2024 (six months ended 30 September 2023: Nil).

The final dividend of HK0.7 cents per ordinary share, amounting to approximately HK\$3,569,000 and special dividend of HK0.7 cents per ordinary share, amounting to approximately HK\$3,569,000 for the year ended 31 March 2024 were proposed and have been approved and paid during the period.



11. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2024, the Group incurred capital expenditures of approximately HK\$471,000 (six months ended 30 September 2023: HK\$384,000) in leasehold improvements, approximately HK\$382,000 (six months ended 30 September 2023: HK\$391,000) in office equipment, approximately HK\$7,000 (six months ended 30 September 2023: HK\$71,000) in furniture and fixtures and nil (six months ended 30 September 2023: HK\$578,000) in motor vehicle.

During the six months ended 30 September 2024, no right-of-use assets included within a property newly leased for own use has been recognised (six months ended 30 September 2023: HK\$4,412,000) and lease modifications resulted from extension of leases amounted to approximately HK\$804,000 has been recognised (six months ended 30 September 2023: HK\$2,753,000).

12. TRADE RECEIVABLES

The ageing analysis of trade receivables, based on the invoice dates, net of impairment, is as follows:

	30 September 2024 (unaudited) HK\$'000	31 March 2024 (audited) HK\$'000
0 - 30 days	3,678	16
31 - 90 days	827	–
Over 90 days	24	–
	<u>4,529</u>	<u>16</u>

The Group has a policy of allowing customers with credit periods normally within 30 days. Overdue balances are reviewed regularly by the Group's management.

13. TIME DEPOSITS AND CASH AND CASH EQUIVALENTS

	30 September 2024 (unaudited) HK\$'000	31 March 2024 (audited) HK\$'000
Cash deposits in banks and financial institutions	85,616	40,573
Short-term deposits in banks	<u>26,869</u>	<u>44,602</u>
	112,485	85,175
Time deposits with original maturity over three months	<u>(42,444)</u>	<u>(35,602)</u>
Cash and cash equivalents	<u>70,041</u>	<u>49,573</u>

14. TRADE PAYABLES

The Group is granted by its suppliers for credit periods normally within 30 days. The ageing analysis of trade payables, based on the invoice dates, is as follows:

	30 September 2024 (unaudited) HK\$'000	31 March 2024 (audited) HK\$'000
0 - 30 days	21,636	9,376
31 - 90 days	4,580	8,149
Over 90 days	<u>5,492</u>	<u>3,438</u>
	<u>31,708</u>	<u>20,963</u>

15. SHARE CAPITAL

	30 September 2024		31 March 2024	
	Number of shares (unaudited) '000	Amount (unaudited) HK\$'000	Number of shares (audited) '000	Amount (audited) HK\$'000
Authorised:				
Ordinary shares of HK\$0.01 each				
At 1 April 2023, 31 March 2024, 1 April 2024 and 30 September 2024	2,000,000	20,000	2,000,000	20,000
Issued and fully paid:				
Ordinary shares of HK\$0.01 each				
At 1 April 2023, 31 March 2024, 1 April 2024 and 30 September 2024	509,859	5,099	509,859	5,099

16. DISPOSAL OF A SUBSIDIARY

On 30 September 2024, the Group entered into a sale and purchase agreement with Central City International Limited, a related company of the Group (the "Purchaser"), to dispose of its entire equity interest in Another Food which was principally engaged in food and beverage business at cash consideration of HK\$400,000. In addition, the Group has sold and assigned the amount due to a subsidiary of the Company of approximately HK\$16,690,000 (the "Loan") to the Purchaser. The disposal was completed on 30 September 2024 and Another Food ceased to be a subsidiary of the Company.

The net liabilities of Another Food at the date of disposal were as follows:

	As at 30 September 2024 (unaudited) HK\$'000
Property, plant and equipment	1
Inventories	32
Prepayments and deposits	692
Cash and cash equivalents	342
Trade payables	(25)
Accrued charges and other payables	(672)
Amount due to a subsidiary of the Company	<u>(16,690)</u>
Net liabilities of Another Food disposed of	(16,320)
Sales of Loan	16,690
Gain on disposal of a subsidiary	<u>30</u>
Total consideration satisfied by cash	<u>400</u>
Net cash outflow arising on disposal:	
Cash and cash equivalents disposed of	<u>(342)</u>

Note:

The consideration receivable of HK\$400,000 was included in other receivables under current assets as at 30 September 2024. The consideration has been fully received subsequently in October 2024.

16. DISPOSAL OF A SUBSIDIARY (Cont'd)

The revenue, results and cash flows of Another Food were as follows:

	Notes	Six months ended 30 September	
		2024 (unaudited) HK\$'000	2023 (unaudited) HK\$'000
Revenue	5	2,700	2,179
Cost of sales		(2,964)	(2,363)
Gross loss		(264)	(184)
Other income and gains	5	–	22
Administrative and other operating expenses		(241)	(114)
Loss from operation		(505)	(276)
Finance costs	7	(3)	(28)
Loss before income tax		(508)	(304)
Income tax expense	8	–	–
Loss after income tax		(508)	(304)
from discontinued operation		(508)	(304)
Gain on disposal of a subsidiary		30	–
Loss for the period from discontinued operation		(478)	(304)
Cash flows from discontinued operation:			
Net cash used in operating activities		(137)	(222)
Net cash generated from financing activities		108	230
Net (decrease)/increase in cash and cash equivalents		(29)	8

17. CAPITAL COMMITMENTS AND OTHER COMMITMENTS

(a) Capital expenditure contracted for but not provided for are as follows:

	At 30 September 2024 (unaudited) HK\$'000	At 31 March 2024 (audited) HK\$'000
Intangible assets	10	10
Property, plant and equipment	<u>961</u>	<u>118</u>
	<u>971</u>	<u>128</u>

(b) The total future lease payments for lease committed but not yet commenced over the non-cancellable period are as follow:

	At 30 September 2024 (unaudited) HK\$'000	At 31 March 2024 (audited) HK\$'000
Properties leased for own use		
Within 1 year	377	–
Later than 1 year and not later than 5 years	<u>468</u>	<u>–</u>
	<u>845</u>	<u>–</u>

18. RELATED PARTY TRANSACTIONS

In addition to those disclosed elsewhere in the condensed consolidated interim financial statements, the following transactions were carried out by the Group with related parties during the periods.

(a) Significant related party transactions

		Six months ended 30 September	
	Notes	2024 (unaudited) HK\$'000	2023 (unaudited) HK\$'000
Consideration for disposal of a subsidiary	(i), (16)	<u>400</u>	<u>–</u>

Notes:

- (i) The amount represents the consideration receivable from the Purchaser in which Mr. Ko Wai Ming, Daniel and Ms. Cheng Hang Fan are both the directors and ultimate beneficial owners of the Purchaser.
- (ii) The terms of the above transactions are mutually agreed by the Group and the related company. The Directors are of the opinion that the terms were made in the ordinary course of business on normal commercial basis.

(b) Compensation of key management personnel

Total remuneration of the Group's directors and other members of key management personnel during the periods were as follows:

	Six months ended 30 September	
	2024 (unaudited) HK\$'000	2023 (unaudited) HK\$'000
Short term employee benefits	984	906
Retirement scheme contribution	15	24
Share-based payment expenses	<u>9</u>	<u>18</u>
	<u>1,008</u>	<u>948</u>